

CONTENT AREA

Health Insurance Coverage Extension for Surviving Spouse and/or Dependent(s)

ISSUE/QUESTION

Section 15.3 of the ADOA Saguario Program Administration Guide states, in part, that a spouse and/or dependent(s) of a covered member have six months from the death of the covered member to apply for extended insurance coverage under the Saguario Program.

1. Does this apply in the event of the death of a covered member in the Retiree and Long-Term Disability (LTD) Saguario Program?
2. Does this apply in the event of the death of a covered member who is an Active Employee in the Saguario Program?

ANSWER

1. Yes, the surviving spouse and/or dependent(s) of a covered member in the Retiree and LTD Saguario Program are eligible for extended health insurance coverage provided all of the following criteria are met:
 - a. The Retiree/LTD participant was covered at the time of death.
 - b. The surviving spouse/dependent(s) electing extended coverage were covered at the time of the covered member's death.
 - c. The surviving spouse/dependent(s) elect coverage within six months of the covered member's death.
 - d. The surviving spouse/dependent(s) agree to pay the full premium for the coverage.
2. Yes, the surviving spouse and/or dependent(s) of an active employee in the Saguario Program are eligible for extended health insurance coverage provided all of the following criteria are met:
 - a. The active employee was covered at the time of death.
 - b. **The active employee was eligible for normal retirement under the Arizona State Retirement System (ASRS).**

Normal retirement under ASRS is the earliest you may retire with a full benefit as calculated by the ASRS benefit formula. A normal retirement date occurs under the earliest of the following situations:

- At age 65,
- At age 62 with 10 or more years of credited service,
- At any combination of years of credited service and age, totaling 80 points.

Example: If you have 31 years of credited service and you are 49 years of age, you will be eligible for a normal retirement because you have 80 points ($49 + 31 = 80$).

OR, the surviving spouse/dependent(s) are eligible to collect a monthly annuity from the Public Safety Personnel Retirement System (PSPRS), the Correctional Officers Retirement Plan (CORP), the Elected Officials Retirement Plan (EORP), or the Optional Retirement Plan (ORP).

- c. The surviving spouse/dependent(s) electing extended coverage were covered at the time of the member's death.
- d. The surviving spouse/dependent(s) elect coverage within six months of the covered member's death.
- e. The surviving spouse/dependent(s) agrees to pay the full premium for coverage.

RATIONALE/EXPLANATION

In terms of eligibility for extended health insurance coverage, the criteria for surviving spouse/dependent(s) of Active Employees in comparison with Retirees/LTD Participants, there is only one difference. The active employee must have been eligible for normal retirement under ASRS, or eligible to collect a monthly annuity from one of the other eligible retirement systems – PSPRS, CORP, EORP or ORP.

AUTHORITY

Arizona Revised Statutes (A.R.S.) 38-651.01, Group health and accident coverage for retired public employees and elected officials and their dependents

Arizona Revised Statutes 38-757, Normal retirement

Arizona Administrative Code (A.A.C.) R2-5-418, Retiree Health Benefit Plan

Arizona Administrative Code (A.A.C.) R2-5-419, Health Benefit Plan for Former Elected Officials

Arizona Administrative Code (A.A.C.) R2-5-420, Health Benefit Plan for Surviving Spouse of Elected Official

Saguaro Program Administration Guide 15.3, Eligibility for extended coverage

Arizona State retirement System Member Handbook

ISSUED

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